

## Syllabus template

<b>Semester: I (MSC w.e.f. 2026)</b>	
<b>Course : ECONOMICS</b>	
<b>Paper Title: ADVANCED MACROECONOMICS</b>	
<b>Paper code: M2C4EC26012T</b>	<b>Credits: 6</b>
<b>Hours/week : 4 CLASSESS/WEEK + 2 HOURS OF SELF-DIRECTED STUDY</b>	
<b>Category: Core/MDC/SEC/VAC : CORE</b>	
<b>Theory / Practical / Composite : THEORY</b>	
<b>No of Modules : 2</b>	
<b>Course Overview/ Course Objectives:</b>	
<ol style="list-style-type: none"> <li>1. Provide an alternative overview of the basic macroeconomic model</li> <li>2. Examine the role of the financial sector and its interaction with the real sector</li> <li>3. Analyse different forms of expectations in the macroeconomic model</li> <li>4. Provide micro-foundations of macroeconomics</li> <li>5. Analyse the working of New Keynesian models</li> </ol>	
<b>Course Outcome: Module 1</b>	
1. <b>CO1: Contrast</b> the traditional IS-LM framework with modern interest-rate targeting models and. (Bloom's Level: <b>Understand/Analyse</b> )	
2. <b>CO2: Analyse</b> and <b>Evaluate</b> the Solow-Blinder model (Bloom's Level: <b>Evaluate</b> )	
3. <b>CO3: Analyse</b> and <b>Evaluate</b> the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: <b>Evaluate</b> )	
4. <b>CO4: Analyse Apply</b> and <b>Evaluate</b> the transmission mechanisms between financial markets and the real economy, under the "money view" (Bloom's Level: <b>Analyse/ Apply/ Evaluate</b> )	
5. <b>CO4: Analyse Apply</b> and <b>Evaluate</b> the transmission mechanisms between financial markets and the real economy, under the "credit view" (Bloom's Level: <b>Analyse/ Apply/ Evaluate</b> )	
6. <b>CO6: Contrast</b> and <b>Integrate</b> the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: <b>Evaluate/ Synthesise</b> )	
<b>Course Outcome: Module 2</b>	
1. <b>CO1: Understand</b> and <b>Analyse</b> the key role of expectations in macroeconomic models (Bloom's Level: <b>Understand/Analyse/</b> )	
2. <b>CO2: Analyse Apply</b> and <b>evaluate</b> the working of an economy under adaptive expectations (Bloom's Level: <b>Analyse/ Apply/ Evaluate</b> )	
3. <b>CO3: Incorporating</b> rational expectations in the macroeconomic model (Bloom's Level: <b>Apply/Analyse/ Evaluate</b> )	
4. <b>CO4: Model</b> the impact of different expectation regimes (Adaptive vs. Rational) on the neutrality of money and policy effectiveness. (Bloom's Level: <b>Apply/Create</b> )	
5. <b>CO5: Deconstruct</b> macroeconomic fluctuations using micro-foundations, such as menu costs and efficiency wages. (Bloom's Level: <b>Analyse, Create</b> )	
6. <b>CO6: Assess</b> the New Keynesian explanations for wage-price rigidity and their implications for non-neutrality of money. (Bloom's Level: <b>Evaluate</b> )	
<b>Prerequisites: Intermediate level knowledge of Microeconomics and Macroeconomics</b>	

SYLLABUS				
Module	CONTENT	HOURS or NUMBER OF CLASSES	CO Mapping	COGNITIVE LEVEL
Module I	<p><b>1. Alternative views of the basic macroeconomic model:</b> interest rate targeting and Keynesian economics without the LM curve, extension of IS-LM – Solow Blinder model.</p> <p><b>2. Financial Markets and the Real sector:</b> Effective demand and monetary policy-money view and credit view, Tobin’s q and output.</p>	2 Classes/ Week + 2 Hours Of Self-Study Per Week	CO1, CO2, CO3, CO4. CO5, CO6	K1, K2, K3, K4, K5, K6
Module II	<p><b>1.Expectation and the macro economy:</b> Adaptive expectation; Rational expectations and neutrality of money;</p> <p><b>2.New Keynesian Macroeconomics:</b> Menu cost, Aggregate demand externality and Non-neutrality of money, Wage price staggering, Efficiency wage.</p>	2 Classes/ Week + 2 Hours Of Self-Study Per Week	CO1, CO2, CO3, CO4. CO5, CO6	K1, K2, K3, K4, K5, K6
<b>Text Books</b>				
1. Ben Heijdra (2017): Foundations of Modern Macroeconomics, Oxford University Press				
2. David Romer: Advanced Macroeconomics, McGraw-Hill.				
3. Blanchard & Fischer: Lectures on Macroeconomics, MIT Press				
<b>Suggested readings</b>				
1. Barro (1976): Rational expectations and the role of monetary Policy, Journal of Monetary Economics, 1976, vol. 2, issue 1, 1-3				
2. Bernanke, S., & Blinder, A. S. (1988). Credit, money and aggregate demand. In American Economic Review, 78(2), 435-439.				
3. Blanchard (1981), Output, the Stock Market, and Interest Rates, American Economic Review, 1981, vol. 71, issue 1, 132-43.				
<b>Evaluation: CIA: 30 (20 +5 + 5)+ End Semester:70</b>				
<b>Paper Structure for Theory Semester Exam Module: Module 1: 3(out of 4)×5+ 2(out of 3)×10 Module 2: : 3(out of 4)×5+ 2(out of 3)×10</b>				

### Course outcomes (COs) and Cognitive Level Mapping

COs	CO Description	Cognitive levels
<b>Module 1</b>		
<b>CO1</b>	<b>CO1: Contrast</b> the traditional IS-LM framework with modern interest-rate targeting models and. (Bloom's Level: <b>Understand/Analyse</b> )	K1, K3
<b>CO2</b>	<b>CO2: Analyse and Evaluate</b> the Solow-Blinder model (Bloom's Level: <b>Evaluate</b> )	K3, K5

<b>CO3</b>	<b>CO3: Analyse</b> and <b>Evaluate</b> the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: <b>Evaluate</b> )	K5
<b>CO4</b>	<b>CO4: Analyse Apply</b> and <b>Evaluate</b> the transmission mechanisms between financial markets and the real economy, under the "money view" (Bloom's Level: <b>Analyse/ Apply/ Evaluate</b> )	K3, K4, K5
<b>CO5</b>	<b>CO4: Analyse Apply</b> and <b>Evaluate</b> the transmission mechanisms between financial markets and the real economy, under the "credit view" (Bloom's Level: <b>Analyse/ Apply/ Evaluate</b> )	K3, K4, K5
<b>CO6</b>	<b>CO6: Contrast</b> and <b>Integrate</b> the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: <b>Evaluate/ Synthesise</b> )	K5, K6
<b>Module 2</b>	<b>Course Outcome: Module 2</b>	
<b>CO1</b>	<b>CO1: Understand</b> and <b>Analyse</b> the key role of expectations in macroeconomic models (Bloom's Level: <b>Understand/Analyse/</b> )	K1, k3
<b>CO2</b>	<b>CO2: Analyse Apply</b> and <b>evaluate</b> the working of an economy under adaptive expectations (Bloom's Level: <b>Analyse/ Apply/ Evaluate</b> )	K3, K4, K5
<b>CO3</b>	<b>CO3: Incorporating</b> rational expectations in the macroeconomic model (Bloom's Level: <b>Apply/Analyse/ Evaluate</b> )	K3, K4, K5
<b>CO4</b>	<b>CO4: Model</b> the impact of different expectation regimes (Adaptive vs. Rational) on the neutrality of money and policy effectiveness. (Bloom's Level: <b>Apply/Create</b> )	K3, K6
<b>CO5</b>	<b>CO5: Deconstruct</b> macroeconomic fluctuations using micro-foundations, such as menu costs and efficiency wages. (Bloom's Level: <b>Analyse, Create</b> )	K3, K6
<b>CO6</b>	<b>CO6: Assess</b> the New Keynesian explanations for wage-price rigidity and their implications for non-neutrality of money. (Bloom's Level: <b>Evaluate</b> )	K5